

ANNUAL REPORT 2008-09

EMPIRE INDUSTRIES LIMITED

DIRECTORS :

S.C. MALHOTRA *Chairman*

RANJIT MALHOTRA *Vice-Chairman*

DILEEP MALHOTRA *Jt. Managing Director*

R.A. MASKATI

J.N. GUZDER
(Resigned w.e.f. 25.06.2009)

K.C. KHANNA

RAJBIR SINGH

C.P. SHAH
(Appointed w.e.f. 01.09.2008)

B.C. GANDHI
(Appointed w.e.f. 25.06.2009)

} *Directors*

REGISTERED OFFICE :

414, Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013

Tel : 6655 5453
Fax : 2493 9143 / 2493 7203
E-mail : email@empiresecretarial.com

PLANT :

Vitrum Glass

L.B. Shastri Marg,
Vikhroli, Mumbai - 400 083

DIRECTOR FINANCE & COMPANY SECRETARY :

S.K. GULATI

AUDITORS :

D.P. GHEVARIA & CO.

ADVOCATES & SOLICITORS :

DSK LEGAL

BANKERS :

INDIAN BANK
ALLAHABAD BANK
BANK OF INDIA
BANK OF BARODA
CENTRAL BANK OF INDIA

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NOTICE

The ONE HUNDRED AND EIGHTH ANNUAL GENERAL MEETING of the Members of EMPIRE INDUSTRIES LIMITED will be held on Thursday, August 27, 2009 at 4:00 P.M. at Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai - 400 018 to transact the following business:

A G E N D A

1. To adopt the Directors' Report and the Audited Balance Sheet as at March 31, 2009, and the Profit & Loss Account for the year ended on that date.
2. To declare a Dividend for the year ended March 31, 2009.
3. To appoint a Director in place of MR. RASHEED A. MASKATI, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of MR. K. C. KHANNA, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration, and to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Messrs D. P. Ghevaria & Co., Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting up to the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors plus applicable Taxes plus reimbursement of travelling and actual out-of-pocket expenses."

Special Business

6. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:
"RESOLVED that Mr. Chandrakant Poonamchand Shah, who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 1, 2008 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."
7. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. Bipinchandra Chimanlal Gandhi, who was appointed by the Board of Directors as an Additional Director of the Company with effect from June 25, 2009 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

8. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 310 and 311 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII (as amended from time to time) to the said Act, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Dileep Malhotra as Joint Managing Director of the Company for a period of five years with effect from 1st October, 2009 on the following remuneration and terms and conditions set out in the draft agreement submitted to this Meeting and for identification initiated by Mr. Rasheed A Maskati, a Director of the Company."

(A) **Salary:** Rs.2,50,000 per month in the scale of Rs.2,50,000/- - Rs.4,50,000/-. The Annual increments, which will be effective 1st April each year will be decided by the Board of Directors.

(B) **Perquisites:** Joint Managing Director shall be entitled to the perquisites as classified into three categories "A", "B" and "C" as follows:

Category "A"

- (i) Residential Accommodation:

Fully furnished residential accommodation, if no accommodation is provided by the Company, a suitable House Rent Allowance for a fully furnished residential accommodation or what the Board of Directors may determine will be paid to him.

- (ii) The expenditure incurred by the Company on providing gas, electricity and water at the residential accommodation shall be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling

of 10% of the salary of Mr. Dileep Malhotra.

- (iii) **Medical Reimbursement:** Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- (iv) **Leave Travel Concession:** For self and family once in a year incurred in accordance with the rules specified by the Company.
- (v) **Club Fees:** Fees of clubs subject to maximum of two Clubs. This will not include admission and life membership fees.
- (vi) **Personal Accident Insurance:** Premium not to exceed Rs.4,000/- p.a.

Explanation: For the purpose of Category "A" Family means the spouse, the dependent children and dependent parents.

Category "B"

- (i) Contribution to Provident Fund as per rules of the Company. This will not be included in the computation of ceiling on perquisites to the extent this either singly or put together are not taxable under the Income Tax Act.
- (ii) Gratuity payable shall not exceed half month's salary for each completed year of service. This will not be included in the computation of the ceiling on perquisites.

Category "C"

Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Dileep Malhotra.

- (C) **Commission:** 1% of the net profits of the Company for each financial year or part thereof as laid down under Section 309(5) of the Companies Act, 1956.
- (D) **Leave:** Leave on full pay and allowance as per rules of the Company. Leave accumulated and not availed of may be encashed as per rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

- (E) The Joint Managing Director will not be paid any sitting fees for attending the meeting of the Board of Directors or any Committee thereof.
- (F) The Joint Managing Director shall be entitled to the reimbursement of all expenses including traveling and entertainment expenses actually and properly incurred by him in the course of business of the Company.
- (G) In case the Joint Managing Director suffers permanent total disablement due to sickness or accident or shall die during the course of his employment hereunder, the Company shall pay full salary for the then current calendar month and for six calendar months thereafter, to him or his heirs as the case may be.
- (H) In case of premature death during the currency of this agreement, his nominee as disclosed by him in the Superannuation Scheme, will be paid 50% of the Salary for the balance period of the full term of this agreement.
- (I) Subject to the provisions of Section 201 of the Companies Act, 1956 the Company agrees to indemnify the Joint Managing Director for any costs, losses, penalty, fine expenses which he may incur or become liable to by reasons of any contract entered into or act or thing done by him in any way in the discharge of his duties as a Joint Managing Director.

"RESOLVED FURTHER THAT in the event of loss or absence or inadequacy of profits in any financial year of the Company subject to the provisions of the Companies Act, 1956 the salary and perquisites payable and allowed to Mr. Dileep Malhotra shall be as specified in Schedule XIII of the Companies Act, 1956 as amended from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary, alter, increase, expand, enhance, enlarge or widen the scope of the remuneration and perquisites, including the monetary value thereof specified in Schedule XIII to the Companies Act, 1956, as amended from time to time."

"RESOLVED LASTLY THAT the Board of Directors be and are hereby authorized to do all such acts, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution."

9. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT the consent of the company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, for jointly mortgaging and/or charging by the Board of Directors of the Company of all the Fixed Assets of Vitrum Glass Division including land admeasuring 3,59,130 Sq. Ft. at its Plant at Vikhroli in Maharashtra State in favour of Indian Bank for Rs.8.00 Crore (subject to the prior charge in favour of the Company's bankers over moveable assets and specific fixed assets hypothecated to the Company's bankers) to secure financial assistance by way of Rupee Loan aggregating to Rs.8.00 Crore sanctioned during February 2009, for installation of imported Eight Section Triple Gob Machine on line No.1 in place of existing Eight Section Double Gob Machine in Vitrum Glass factory at Vikhroli together with interest at the respective agreed rate of interest and/or compound interest and/or additional interest, liquidated damages, commitment charges, costs, charges, expenses and all other monies payable by the Company to the aforesaid bank in terms of their Loan Agreements/Hypothecation Agreements/Letters of Sanction/ Memorandum of terms and conditions, entered into/to be entered into by the Company, in respect of the said loan."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to finalise with Indian Bank, the documents for creating the aforesaid mortgage and/or charges and to do all such acts and things as may be necessary for giving effect to the above resolution."

10. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the consent of the company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, for mortgaging and/or charging by the Board of Directors of the Company the entire 1st Floor admeasuring 26200 sq. ft. (Carpet area) of 'Empire Plaza', situated at Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai 400083 on a plot of land bearing Survey No.CTS No.9, Village - Hariali Division, Vikhroli with the jurisdiction of Sub-Registrar of Assurances, Kurla in favour of

Axis Bank Limited for Rs.16.10 Crore to secure financial assistance by way of Rupee Loans aggregating to Rs.16.10 Crore sanctioned in October 2008 (Rs.5.40 Crore) and January 2009 (Rs.10.70 Crore), for paying premium for additional F.S.I. at Vikhroli together with interest at the respective agreed rate of interest and/or compound interest and/or additional interest, liquidated damages, commitment charges, costs, charges, expenses and all other monies payable by the Company to the aforesaid bank in terms of their Loan Agreements / Hypothecation Agreements / Letters of Sanction/ Memorandum of terms and conditions, entered into/to be entered into by the Company, in respect of the said loan."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to finalise with Axis Bank Limited, the documents for creating the aforesaid mortgage and/or charges and to do all such acts and things as may be necessary for giving effect to the above resolution."

By Order of the Board
For **EMPIRE INDUSTRIES LIMITED**

S.K. GULATI
*Director Finance &
Company Secretary*

Registered Office:

414, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013.
Place : Mumbai
Date : June 25, 2009.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item Nos. 6 to 10 as set out above is annexed hereto.
3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Company has already notified closure of Register of Members and Transfer Books thereof from Saturday, the 18th July, 2009 to Friday, the 24th

July, 2009 (both days inclusive) for determining the names of members eligible for dividend, if approved, on equity shares.

5. The Dividend on Equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after August 27, 2009 to those Members whose names shall appear on the Company's Register of Members on July 17, 2009. In respect of shares held in dematerialised form, the dividend will be paid to Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
6. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
7. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
8. In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd., under the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants:
 - (i) Name of the Sole/First joint holder and the Folio Number.
 - (ii) Particulars of Bank Account, viz.
 - (a) Name of Bank
 - (b) Name of Branch
 - (c) Complete address of the Bank with PIN Code Number.
 - (d) Account Type, whether Savings Account (SA) or Current Account (CA)
 - (e) Bank Account Number.
 - (f) MICR Number.

Members who hold shares in dematerialised form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrant as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. Members who wish to change such Bank account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.

To avoid loss of dividend warrants in transit and *undue delay in respect of receipt of dividend warrants*, the company has provided a facility to the Members for remittance of dividend through Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrars and Transfer Agents, M/s. Bigshare Services Private limited.

9. Shareholders who have not yet dematerialised their shares and wish to dematerialise the same are requested to apply for dematerialization through your Depository Participants.
10. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd., for consolidation into a single folio.
11. SEBI vide its circular dated April 27, 2007 and June 25, 2007 has made it mandatory effective July 2, 2007 for every participant in the securities / capital market to furnish Income Tax Permanent Account Number (PAN). Therefore members holding shares in physical mode are requested to furnish their PAN along with photocopy of PAN Card.

ANNEXURE TO NOTICE

As required by Section 173 of the Companies Act, 1956 the following Explanatory statement set out all material facts relating to the business mentioned under Item Nos. 6 to 10 of the accompanying Notice dated June 25, 2009.

ITEM NO.6

Mr. Chandrakant Poonamchand Shah was appointed as Additional Director of the Company w.e.f. 1st September, 2008 by the Board of Directors under Section 260 of the Companies Act, 1956 read with Article 136 and he would hold office upto the date of this Annual General Meeting. The Company has received a notice from a member signifying his intention to propose the appointment of Mr. Chandrakant Poonamchand Shah as Director of the Company liable to retire by rotation at the ensuing Annual General Meeting.

Brief resume of Mr. Chandrakant Poonamchand Shah, nature of his expertise in specific functional areas and names of Companies in which he holds directorships, memberships /chairmanships of Board Committees and their shareholding in the Company are provided in the Annexure to Directors' Report.

Your Directors recommend the appointment of Mr. Chandrakant Poonamchand Shah as Director of the Company.

None of the Directors is anyway concerned or interested in the resolution except Mr. Chandrakant Poonamchand Shah to the extent of his appointment.

ITEM NO.7

Mr. Bipinchandra Chimanlal Gandhi was appointed as Additional Director of the Company by the Board of Directors at their meeting held on June 25, 2009 under Section 260 of the Companies Act, 1956 read with Article 136 and he would hold office upto the date of this Annual General Meeting. The Company has received a notice from a member signifying his intention to propose the appointment of Mr. Bipinchandra Chimanlal Gandhi as Director of the Company liable to retire by rotation at the ensuing Annual General Meeting.

Brief resume of Mr. Bipinchandra Chimanlal Gandhi, nature of his expertise in specific functional areas and names of Companies in which he holds directorships, memberships /chairmanships of Board Committees and their shareholding in the Company are provided in the Annexure to Directors' Report.

Your Directors recommend the appointment of Mr. Bipinchandra Chimanlal Gandhi as Director of the Company.

None of the Directors is anyway concerned or interested in the resolution except Mr. Bipinchandra Chimanlal Gandhi to the extent of his appointment.

ITEM NO.8

Mr. Dileep Malhotra's tenure of appointment as Joint Managing Director of the Company expires on 30th September, 2009. The Board of Directors at its Meeting held on 25th June, 2009, have re-appointed Mr. Dileep Malhotra as Joint Managing Director subject to the approval of the Members of the Company, for a period of five years with effect from 1st October, 2009, on such remuneration and terms & conditions as set out in the Resolution. Mr. Dileep Malhotra satisfies all the conditions set out in Part-I of Schedule XIII to the Companies Act, 1956 for being eligible for the re-appointment.

The draft Agreement to be entered into by the Company with Mr. Dileep Malhotra is available for inspection by the Members of the Company between 10.00 A.M. and 1.00 P.M. on all working days up to and including day of the Meeting.

A brief resume of Mr. Dileep Malhotra, nature of his expertise in specific functional areas as stipulated under Clause 49 of Listing Agreement with the Bombay Stock Exchange Limited, is provided in the Report of Corporate Governance forming part of the Annual Report.

Mr. Dileep Malhotra is interested in the proposed Resolution as it concerns his own remuneration. Mr. S. C. Malhotra and Mr. Ranjit Malhotra, Directors of the Company may also be regarded as interested in the Resolution as relatives of Mr. Dileep Malhotra.

ITEM NO.9

The Company has approached the Indian Bank for financial assistance of Rs.8.00 Crores for installation of imported Eight Section Triple Gob Machine on line No.1 in place of existing Eight Section Double Gob Machine in Vitrum Glass Factory at Vikhroli as mentioned in Resolution No.9.

The said financial assistance from Indian Bank is to be secured by a first mortgage of all the Fixed Assets of Vitrum Glass Division including land admeasuring 3,59,130 Sq. Ft. at its plant at Vikhroli in Maharashtra State.

Section 293(1)(a) of the Companies Act, 1956 provides inter alia that the Board of Directors of a Public Company shall not, without the consent of the Members of such Public company in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.



Since a mortgage and charge by the Company are required to be created on its immovable properties as required in favour of Indian Bank, the same may be deemed to be disposal of the Company's property/undertaking of the Company at its Glass Unit, Vikhroli in Maharashtra, within the meaning of Section 293(1)(a) of the Companies Act, 1956, the sanction of the shareholders is therefore being sought in accordance with Resolution No.9. Copies of the Head of Agreements entered into by the Company with Indian Bank in respect of the aforesaid financial assistance and copies of the sanction letters are open for inspection at the Registered Office of the Company on any working day of the Company between 10.00 a.m. and 1.00 p.m.

None of the Directors of the Company is concerned or interested in the said resolution.

ITEM NO.10

The Company has approached the Axis Bank Limited for financial assistance of Rs.16.10 Crore for paying premium for additional F.S.I. at Vikhroli as mentioned in Resolution No.10. However, the Company has availed the financial assistance of Rs.10.75 Crore.

The said financial assistance from Axis Bank Limited is to be secured by a first mortgage of the entire 1st floor admeasuring 26200 sq. ft. (Carpet area) of 'Empire Plaza', situated at Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai 400083 on a plot of land bearing Survey No.CTS No.9, Village-Hariali Division, Vikhroli with the jurisdiction of Sub-Registrar of Assurances, Kurla in the State of Maharashtra.

Section 293(1)(a) of the Companies Act, 1956 provides inter alia that the Board of Directors of a Public Company shall not, without the consent of the Members of such

Public company in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

Since a mortgage and charge by the Company are required to be created on its immovable properties as required in favour of Axis Bank Limited, the same may be deemed to be disposal of the Company's property/undertaking of the Company at Vikhroli in Maharashtra, within the meaning of Section 293(1)(a) of the Companies Act, 1956, the sanction of the shareholders is therefore being sought in accordance with Resolution No.10. Copies of the Head of Agreements entered into by the Company with Axis Bank Limited in respect of the aforesaid financial assistance and copies of the sanction letters are open for inspection at the Registered Office of the Company on any working day of the Company between 10.00 a.m. and 1.00 p.m.

None of the Directors of the Company is concerned or interested in the said resolution.

The Explanatory Statements and the Resolutions may be treated as an abstract under Section 302 of the Companies Act, 1956.

By Order of the Board
For **EMPIRE INDUSTRIES LIMITED**

S.K. GULATI
*Director Finance &
Company Secretary*

Registered Office:

414, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013.
Place : Mumbai
Date : June 25, 2009.

DIRECTORS' REPORT

The Directors hereby present their Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2009.

FINANCIAL RESULTS:

Particulars	Year ended 31.03.2009 Rupees	Year ended 31.03.2008 Rupees
Income:		
Sales & Commission	1,30,93,19,126	1,15,93,67,847
Other Income	44,60,23,664	27,28,01,650
	<u>1,75,53,42,790</u>	<u>1,43,21,69,497</u>
Less: Operating Expenses	1,50,27,76,784	1,28,90,36,432
Profit Before Tax	25,25,66,006	14,31,33,065
Less: Provision for Current Taxation	6,13,00,000	3,67,50,000
Provision for Fringe Benefit Tax	88,25,000	73,50,000
Provision for Deferred Tax	1,00,97,000	65,74,000
Amount available for appropriation	<u>17,23,44,006</u>	<u>9,24,59,065</u>
Appropriated as under:		
Dividend proposed	5,99,99,980	4,79,99,984
Tax on Proposed Dividend	1,01,96,997	81,57,598
General Reserve	10,21,47,029	3,63,01,483
Total amount appropriated	<u>17,23,44,006</u>	<u>9,24,59,065</u>

DIVIDEND:

The Directors are pleased to recommend, for your consideration, payment of Dividend @ 100% (Rs.10/- per Equity Share of the face value of Rs.10/- Tax Free) for the financial year 2008-09. The total amount of the Dividend outgo will be Rs.5,99,99,980/- as against Rs.4,79,99,984/- for the previous financial year. The tax on distributed profits, payable by the Company would amount to Rs.1,01,96,997/- as against Rs.81,57,598/- for the previous financial year.

OPERATIONS:

Vitrum Glass:

The Division manufactures Amber Glass Bottles of international quality for the Pharmaceutical Industry. Over one million bottles are manufactured every day on four fully automatic production lines. During the year under review the Division achieved 22% higher turnover at Rs.69.16 Crore and direct export substantially increased from Rs.3.47 Crore to Rs.9.36 Crore. To be able to meet

the demand of small bottles and also increase the glass draw from the furnace, the Division installed imported Eight Section Triple Gob Machine on line No.1 in place of existing Eight Section Double Gob Machine. This will increase the production by 40 to 45% on line No.1 and glass draw from the furnace will go up by 10 to 15 tons per day. The machine was installed in end March 2009. The Division is expected to do well in the coming years.

EMPIRE MACHINE TOOLS – MFTM **(Metal Forming, Testing & Metrology):**

The Division is engaged in agency business covering sales, project execution and service support of hi-tech machines in Metal Forming, Metrology, Assembly and Testing Lines, Welding, Melting, Heat Treatment and Process consultancy. The year under review has been challenging due to recession in the automobile industry that affected investments and order inflow. Cash flow problems of customers also affected shipments in time. Though there are now signs of some revival in this sector, the division has identified major investment areas of Power Generation including Solar and Nuclear, Steel Plants and Aerospace as main thrust areas in the coming year. New products and suppliers have been sourced for these sectors. Tie up with new partners that are willing to respond according to customer expectations in this market and have strong financial background and good payment behavior are aspects that are drawing attention of the division in this process of changeover especially to countries like Russia, Korea, China and Canada. The Division expects to improve its performance in the current year.

EMPIRE MACHINE TOOLS - MCAT **(Metal Cutting & Allied Technologies):**

Order inflow in the Division is affected mainly due to recessionary trends and also due to global economic meltdown. In respect of Automobile sector the recession has been severe. The Division has done very well in terms of shipments on orders received. However, since the Division is focusing mainly on power generation and aerospace where there are ample opportunities and enquiries from clients, the Division expects to do better in terms of order booking in the current year. As regards shipments, the Division has enough pending orders and expects to do good business in the current year.

Empire Industrial Equipment:

This Division continues to do well. Order Booking Revenues have gone up considerably, with the Division procuring more and more high value orders. In spite of an overall slowdown



in the industry sector as a whole, Oil & Gas Government Sector investments have been steady. Except for a minor setback in some of the Private Sector investments, overall scenario looks good. Steel Sector, which also we serve, has shown some slackness in investment, but we have had steady flow of orders even in this sector. Ports and Shipyard sector has also been steady. The Division feels that there is a good scope in supplying equipment to Power Plants, Construction and Mining Sectors. It is expected to do well during the coming year.

Empire Vending (GRABBIT)

The Division continues its growth during the current year and has started operations in various cities viz. Mumbai, Delhi, Bangalore, Hyderabad, Pune and Jaipur. The business including sales of consumable items, branding and advertising are conducted in Corporate Offices, Malls, Delhi Metro and Airports, through Vending Machines. The advertising and branding revenue forms substantial part of the revenue. The Division has received major contracts from Pepsi, Parle and Bisleri for branding/providing exclusive Vending Machines for their brands. The Division is expected to improve its performance during the year.

CAPITAL EXPENDITURE:

The major Capital Expenditure is on account of installation of imported Eight Section Triple Gob Machine in Vitrum Glass Factory (Rs.804.60 Lacs), Vending Machines (Rs.354.44 Lacs) and Vehicles (Rs.175.62 Lacs).

DIRECTOR'S RESPONSIBILITY STATEMENT:

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Board of Directors confirm as under:

- i) that in the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the profit of the Company for the year ended on that date;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the Directors have prepared the Annual Accounts of the Company on a going concern basis.

CORPORATE GOVERNANCE:

A report on Corporate Governance is given in the Annexure forming part of this report.

FIXED DEPOSITS:

As on March 31, 2009, 130 depositors had not claimed their matured deposits amounting to Rs.33,10,000/-. Since then 54 depositors have claimed/renewed their deposits amounting to Rs.25,29,500/-. As of date, all deposit claims have been met, except unclaimed deposits amounting to Rs.7,80,500/-. The Company has complied with the provisions of Section 58 A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees is given in the Annexure forming part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, relating to the foregoing matters is given in the Annexure forming part of this report.

DIRECTORS:

Mr. J. N. Guzder resigned as a Director of the Company due to his ill-health. The Board has placed on record its high sense of appreciation for the valuable services rendered by Mr. J. N. Guzder during the period of his association with the Company.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 136 of the Articles of Association of the Company, Mr. Chandrakant Poonamchand Shah and Mr. Bipinchandra Chimanlal Gandhi have been appointed as Additional Directors on the Board with effect from September 1, 2008 and June 25, 2009 respectively. As per the provisions of Section 260 of the Companies Act, 1956, these Directors hold office only up to the date of the forthcoming Annual General Meeting of the Company. The Company has received notices under Section 257 of the Act in respect of the above persons, proposing their appointment as Directors of the Company, along with the requisite deposits. Resolutions seeking approval of the shareholders for their appointment have been incorporated in the Notice of the forthcoming Annual General Meeting along with brief details of the candidates.

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Mr. Rasheed A. Maskati and Mr. K. C. Khanna, retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment.

TRANSFER OF UNPAID/UNCLAIMED AMOUNTS TO IEPF

Pursuant to the provisions of Section 205C of the Companies Act, 1956 the Fixed Deposits and interest thereon which remained unpaid/unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.

ACKNOWLEDGEMENT:

Your Directors would like to express their gratitude for the abundant assistance and co-operation received by the Company from its workers, staff, officers, Consortium Banks, members and other Government Bodies during the year under review.

AUDITORS:

Messrs D. P. Ghevaria & Co., Chartered Accountants, retire at this Annual General Meeting and being eligible, offer themselves, for reappointment.

On Behalf of the Board of Directors

Place: Mumbai

Date : June 25, 2009

S.C. MALHOTRA

Chairman

ANNEXURE TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

As per the provisions of Clause No.49 of the Listing Agreement, the Company has complied with the requirements as per the Report furnished below:

1. Company's philosophy on Corporate Governance:

The Company believes that Corporate Governance is way of life and not something to be carried out as statutory requirement. The Company is committed to compliance with law, adherence to ethical standards and application of best management practices. The Company has adequate checks to ensure protection of all stakeholders' interest. These practices have helped the Company in its sustained growth.

2. Board of Directors:

As at 31st March, 2009 the composition and the category of the Directors is as under:

Category	Name of Directors
Promoter/ Executive Directors	Mr. S C Malhotra, <i>Chairman</i> Mr. Ranjit Malhotra, <i>Vice Chairman</i> Mr. Dileep Malhotra, <i>Joint Managing Director</i>
Independent Directors	Mr. Rasheed A Maskati Mr. J N Guzder* Mr. K C Khanna Mr. Rajbir Singh Mr. Chandrakant Poonamchand Shah# Mr. Bipinchandra Chimanlal Gandhi@

* Resigned w.e.f. 25.06.2009

Additional Director w.e.f. 01.09.2008

@ Additional Director w.e.f. 25.06.2009

Directors' Profile

Brief resume of Directors, who are being newly appointed or re-appointed, nature of their expertise in specific functional areas and names of Companies in which they hold directorships, memberships / chairmanships of Board Committees and their shareholding in the Company are provided below:

- a) **Mr. Dileep Malhotra** is a MBA from Le High University, USA. He is the son of Mr. S C Malhotra, Chairman of the Company. Mr. Dileep Malhotra joined Empire in November 28, 1991. He is on the Board of the Company as Whole-time Director designated as Joint Managing Director since October 1, 1999. He has substantially contributed for the development of the Agency business of the Company. He is a Director of Empire International Private Limited, Empire-Ace Edu-Counselling Private Limited, Renoir Investments Private Limited, Elton Investments Private Limited and Bach Investments Private Limited. He is the Promoter of the Company and holds 11,40,494 shares of the Company in his name as on March 31, 2009.
- b) **Mr. R A Maskati** has been one of the senior most Director of the Company since July 4, 1972. He is a prominent figure in the Business and has been connected with the business for over 50 years. He is a Director of Rane Private Limited, Kosmochem Private Limited, Maskati Investment Private Limited, D C Omrigar Private Limited and B H P Maritime Private Limited. He is also the Chairman of the Audit Committee



and the Remuneration Committee of the Company. Mr. Maskati holds 200 shares of the Company in his name as on March 31, 2009.

- c) **Mr. K C Khanna** is a Director of the Company since June 28, 2007. He is a F C A (Eng. & Wales), F C A. He has served with a leading multinational – HOECHST, as well as other top business houses viz. MAFATLAL'S, BIRLA's, Rallis (India) Ltd., Al Futtaim's (Dubai), and 20th Century Finance Corporation Limited in senior positions. He has varied industrial, financial and real estate experience including 16 years overseas in UK, Germany, USA and Dubai. He was an Advisor to international banks, multinational companies, the Times media group, finance companies, a State Government, Swedish groups, etc. He is also a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Khanna holds 15 shares of the Company in his name as on March 31, 2009.
- d) **Mr. Chandrakant Poonamchand Shah** is a Director of the Company since September 1, 2008. He is also a member of the Audit Committee and the Remuneration Committee of the Company. He was a Managing Director in Ramnord Research Laboratories Private Limited from 1972 to 1975 and continues to be a Director as on date. He has wide experience in Cotton Yarn Business. He is a Director of Ramnord Research Laboratories Private Limited and Empress Tin Factory Private Limited. Mr. Shah holds 50 shares of the Company in his name as on March 31, 2009.
- e) **Mr. Bipinchandra Chimanlal Gandhi** is a Director of the Company since June 25, 2009. Mr. Bipin Gandhi is a Science Graduate. He has undergone extensive training in bleaching, dyeing & printing machines as well as in dyestuff chemicals pertaining to textile industry. During his employment with Associated Textile Engineers he has undergone two years Implant Training in Germany. After his return from abroad he has worked with Baltex Engineering Pvt. Ltd. as Sales Manager for Textile Machineries. In the Year 1968 he started a Company by name Commonwealth Textiles which was well recognized in textile industry. In the year 1977 he established another Company by name Comtex Engg. (Bom) Pvt. Ltd. He represents many well-known textile machinery manufacturers from Italy, Germany

and Switzerland in his capacity as partner of Commonwealth Textiles and Director of Comtex Engg. (Bom) Pvt. Ltd. He is a Director of Comtex Engg. (Bom) Private Limited and Viba Fibre Private Limited. Mr. Gandhi does not hold any shares of the Company as on March 31, 2009.

- Number of Board Meetings held and the dates on which held:
Five (5) Board Meetings were held on the following dates during the financial year.
(1) 29.04.2008; (2) 27.06.2008; (3) 30.07.2008; (4) 27.10.2008; (5) 30.01.2009
The maximum time gap between any two meetings was not more than three calendar months. None of the Directors of the Company was a member of more than ten Committees nor was the Chairman of more than five Committees considering all companies in which he was a Director.
- Attendance of each Director at the Board Meetings, last Annual General Meeting and number of other Directorship and Chairmanship/Membership of Committee of each Director in various companies:

Name of the Director	Attendance Particulars		No. of Directorship and Committee Membership/ Chairmanship		
	Board Meetings	Last AGM	Other Directorship*	Committee Membership	Committee Chairmanship
S.C. Malhotra	5	Present	-	-	-
Ranjit Malhotra	2	Present	-	-	-
Dileep Malhotra	4	Present	-	-	-
R.A. Maskati	2	Present	-	-	2
J.N. Guzder *	3	Absent	3	2	1
K C Khanna	3	Present	-	2	-
Rajbir Singh	4	Present	-	-	-
Chandrakant P Shah #	2	-	-	2	1
Bipinchandra Chimanlal Gandhi @	-	-	-	-	-

* Resigned w.e.f. 25.06.2009

Additional Director w.e.f. 01.09.2008

@ Additional Director w.e.f. 25.06.2009

The Directorships held by Directors as mentioned above, do not include Directorships of Private Limited Companies.

3. Audit Committee:

The Company has an Audit Committee at the Board level with the powers and the role that are in accordance with Clause 49 of the Listing Agreement. The Committee acts as a link between the management, the statutory and internal Auditors and

the Board of Directors and oversees the financial reporting process. The Audit Committee comprises of three Independent/Non-Executive Directors as per details mentioned hereunder:

Sr. No.	Name of the Member	No. of Meetings Attended
1.	Mr. Rasheed A Maskati	4
2.	Mr. J N Guzder*	3
3.	Mr. K C Khanna	3
4.	Mr. C. P. Shah#	2

* Resigned w.e.f. 25.06.2009

Additional Director w.e.f. 01.09.2008

Mr. S K Gulati, the Director Finance & Company Secretary acts as the Secretary of the Committee.

4. Remuneration Committee:

The Company has formed a Remuneration Committee comprising of 3 independent Non-Executive Directors, viz., Mr. Rasheed A. Maskati, Chairperson; Mr. K. C. Khanna and Mr. C. P. Shah. The Remuneration Committee reviews the remuneration package of Executive Directors and Senior Executives of the Company.

- Details of remuneration to Directors for the year.

The aggregate value of salary and perquisites paid for the financial year 2008-09 to the Executive Directors is as follows:

Mr. S. C. Malhotra	Rs. 51,54,257/-
Mr. Ranjit Malhotra	Rs. 50,93,140/-
Mr. Dileep Malhotra	Rs. 51,54,341/-
Total	Rs.1,54,01,738/-

The above amounts include Company's contribution to Provident Fund and perquisites.

- The Company paid sitting fees to all Non-Executive Directors at the rate of Rs.10,000/- for attending each meeting of the Board for the financial year 2008-09 except for the Meeting held on April 29, 2008 for which fees of Rs.5,000/- paid.

5. Shareholders'/Investors' Grievance Committee:

- The Committee comprises of Mr. C. P. Shah (Chairman), Mr. S K Gulati, Director Finance & Company Secretary and Mr. R G Vartikar, General Manager Funding & Legal. The role of the Committee is to look into the grievances of the Shareholders/Investors and to resolve the same. The Company has resolved all complaints received from the Shareholders/Investors during the financial year.
- The Board has designated Mr. S.K. Gulati, Director – Finance & Company Secretary as the Compliance Officer.

6. Annual General Meetings:

- Location and time for last 3 Annual General Meetings were as follows:

Year	Location	Date	Time
2005-2006	Hall of Culture, Ground, Floor Nehru Centre, Worli, Mumbai - 400 018.	25.08.2006	4.00 p.m.
2006-2007	Same as above	28.08.2007	4.00 p.m.
2007-2008	Same as above	27.08.2008	4.00 p.m.

- No special resolution was put through Postal Ballot during the last year.

7. Disclosures:

- The Company had no transaction of materially significant nature with its promoter Directors or the management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large.
- The Company has complied with all requirements of the Listing Agreement with Stock Exchange as well as the Regulations and guidelines prescribed by SEBI. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets, during the last three years.

8. Means of communication

- The Company's quarterly results in the format prescribed by the Stock Exchange are approved and taken on record by the Board within the time frame, and sent immediately to The Stock Exchange, Mumbai on which the Company's shares are listed. These results are also published in 'Free Press Journal' in English and 'Navshakti' in vernacular.

• Management Discussion and Analysis Overall Review

The Company is engaged in the manufacture of Amber Glass Bottles for the Pharmaceutical Industry. It represents a number of foreign manufacturers of Precision Machine Tools, Measuring Instruments, Electronic Instruments, Instrumentation Systems and Chemicals. The performance of all these Divisions is reviewed in the Directors' Report.

• Industry Structure & Development

The Vitrum Glass Division is manufacturing Amber Glass Bottles for the Pharmaceutical Industry by using its production capacity fully. This Division is



not in a position to increase the capacity of the unit by installing new machines due to Government restrictions on expansion in Mumbai City. However, the Division is making efforts to increase the production by accelerating the speed of Machines.

• **Opportunities & Risks**

The Company has developed Industrial Properties at its Lower Parel and Vikhroli premises for the use of office purposes and entered into Leave & License Agreements with various Multinational Companies and Banks. The demand from the Pharmaceutical Industry for Glass Containers manufactured by Vitrum Glass Unit is sufficient and hence the Company does not foresee any risks for the product in near future. The revenue of the Divisions involved in agency businesses for marketing the products manufactured by foreign principals are dependent on the Government Policies declared from time to time.

• **Human Resources**

During the year under review, cordial relationship was maintained between the management and the employees. The Directors place on record their appreciation for the support and contribution of all employees of the Company.

• **Internal Controls & Systems**

The Company has adequate internal control procedures commensurate with its size and nature of business. The management reviews these control procedures from time to time to ensure efficient use and protection of assets and resources of the Company.

• **Statutory Compliance**

On obtaining confirmations from the Divisions of the Company, a declaration regarding compliance with the provisions of the various statutes is made by the Managing Director at Board Meetings. The Company Secretary, as Compliance Officer, ensures compliance with SEBI regulations and provisions of the Listing Agreements.

• **Cautionary Statement**

Statements in the Management Discussion and Analysis describing Company's objectives, projections, expectations may be "forward looking statements" within the meaning of relevant securities laws, rules and regulations. The actual results may differ materially from the projections, expectations.

Important factors which could be reasons for such differences may be Government policy amendments in taxation laws and other economic developments within and/or outside India.

9. General Shareholder information:

• **Company Registration Details:**

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L17120MH1900PLC000176.

• **AGM Date & Time** : Thursday, the 27th August, 2009, at 4.00 p.m.

• **Venue** : Hall of Culture, Ground Floor, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

• **Financial Calendar (Tentative):**

Results for the quarter ending June 30, 2009	End July 2009.
Results for the quarter ending September 30, 2009	End October 2009.
Results for the quarter ending December 31, 2009	End January 2010.
Results for the quarter ending March 31, 2010	End April 2010.
Results for the year ending March 31, 2010 (Audited)	End June 2010.
Annual General Meeting	August, 2010.

• **Book Closure Date** : Saturday the 18th July, 2009 to Friday the 24th July, 2009 (both days inclusive).

• **Dividend** : The Board of Directors have recommended 100% Dividend for the financial year 2008-09.

• **Listing of Equity Shares on:** Bombay Stock Exchange Ltd.

• **Stock Code** : 509525

• **Market Price Data**

The High and Low prices of the Company's share (of the face value of Rs.10/- each) traded on Bombay Stock Exchange Limited:

Month & Year	BSE		Sensex	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2008	397.50	300.10	17480.74	15297.96
May, 2008	400.00	335.00	17735.70	16196.02
June, 2008	373.00	291.00	16632.72	13405.54
July, 2008	330.00	250.00	15130.09	12514.02
August, 2008	339.00	279.00	15579.78	14002.43
September, 2008	361.50	202.00	15107.01	12153.55
October, 2008	300.65	156.10	13203.86	7697.39
November, 2008	247.00	156.00	10945.41	8316.39
December, 2008	212.00	166.00	10188.54	8467.43
January, 2009	217.00	153.00	10469.72	8631.60
February, 2009	183.70	142.00	9724.87	8619.22
March, 2009	170.80	132.05	10127.09	8047.17

- Demat ISIN Number in NSDL & CDSL for Equity Shares : INE515H01014

- Registrar and Share Transfer Agents**

M/s. Bigshare Services Pvt. Ltd.,
E-2 Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E) Mumbai 400072.
Tel: 28470652 / 28470653

Our Registrar & Transfer Agent M/s Bigshare Services Private Limited recently launched Gen-Next Investor Module iBoss the most advanced tool to interact with shareholders. Please login into iBoss (www.bigshareonline.com) and help them to serve you better.

- Share Transfer System:**

Transfers in respect of shares in physical form and other related issues are approved by the Chairman authorized by the Board and approvals are obtained at intervals not exceeding 15 days.

- Shareholding pattern as on 31.03.2009**

	% to the total paid-up capital
Promoters	56.46
Financial Institutions & Banks	18.25
Corporate Bodies	13.57
Others	11.72
Total	100.00

- Distribution of Shareholding as on 31.03.2009**

Shareholding of Nominal value of	Share-holders Numbers	% of Total	Share Amount Rs.	% to Equity
Up to 5000	4706	95.56	37,26,200	6.21
5001 – 10000	104	2.11	7,43,010	1.24
10001 – 20000	64	1.30	8,64,440	1.44
20001 – 30000	15	0.30	3,52,650	0.59
30001 – 40000	6	0.12	2,12,990	0.35
40001 – 50000	6	0.12	2,69,130	0.45
50001 – 100000	7	0.14	5,15,660	0.86
100001 and above	17	0.35	5,33,15,900	88.86
Total	4925	100.00	5,99,99,980	100.00

- Plant Location** : Vitrum Glass, L.B.S. Marg, Vikhroli, Mumbai - 400 083.

- Bank details for dividend payment**

Shareholders desirous of receiving their dividend directly in their bank account through Electronic Clearing System (ECS) are requested to inform their ECS mandate to the Registrars and Transfer Agent of the Company, Bigshare Services Pvt. Ltd. Beneficiaries holding the scrip of the Company in the dematerialized form may intimate the change in their bank details to their Depository Participant (DP) furnishing their details with the correct 9 digit MICR code of their bank.

- Address for correspondence** : Empire Industries Limited
Secretarial Department
Empire Complex, 414, Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013.
Tel. : 66555453 & 24937200
Fax : 24939143



ANNEXURE TO DIRECTORS' REPORT

Information pursuant to Section 217(1)(e) of the Companies Act, 1956:

VITRUM GLASS:

(A) CONSERVATION OF ENERGY

(a) Energy conservation measures taken :

1. Introduced **Blower system** for all the three cooling towers resulting in reduction of cooling tower water temp from **28°C to 26° C** which is already running on temp controllers thereby achieving energy saving to the tune of 200 kwh / day.
2. Introduced **APFCR** panel for automatic power factor correction on line.
3. Introduced **Sequential Auto Drain Timer** for sequential auto drain of condensate air thereby achieving partial energy saving and better quality air.
4. Introduced **VFD drive** on new higher capacity mold cooling blower of Machine No.1 thereby achieving energy saving and better pressure control.

(b) Additional investments and proposals being implemented.

1. A new Triple Gob 8 Section fully Electrically controlled IS Machine successfully installed and commissioned on 29.03.09 on line # 1 along with new Annealing Lehr, higher capacity Mold Blower, Compressor, Air dryer etc.
2. Individual section electronic damper Control Valve (for better control of mold cooling air), an advanced Vacuum Pump & Shot Blasting Machines for molds & accessories cleaning. This has resulted in 40% productivity increase, better finish and better quality of molds.

(c) Impact of measures (a) and (b) above

The above measures have helped in conserving energy and improvement in productivity and overall production by 10 to 12%.

(d) Total energy consumption and energy consumption per unit of production

FORM – A

I. Power & Fuel consumption:	Current Year	Previous Year
(1) Electricity:		
Purchased Units	1,08,75,264	1,21,52,072
Total Cost (Rs.in Lacs)	682.48	688.86
Rate/Unit (Rs.)	6.28	5.67
(2) Natural Gas		
Quantity Purchased (SCM)	67,17,436	66,63,732
Total Cost (Rs.in Lacs)	781.61	820.90
Rate/Standard Cubic Meter (Rs.)	11.64	12.32
II. Consumption per Ton of Production:		
Electricity (Units)	286	325
Natural Gas (SCM)	176	178

(B) TECHNOLOGY ABSORPTION

FORM – B

Research & Development (R&D)

1. Specific areas in which R&D carried out by the Company:
 - (a) Introduced silent chain on all IS Machine conveyors resulting in longer life, better bottle conveying & better stability.
 - (b) Introduced in-house developed Blank Side Verti-Flow on machine # 2 resulting in machine speed increase and good improvement in quality bottles.
2. Benefits derived as a result of the above R&D:
 - (a) Appreciable improvement in productivity and performance.
 - (b) Improvement in product quality.
 - (c) Saving in foreign exchange.
3. Further plan for action:

To continue up-gradation of technology to improve productivity and quality of products.

Technology absorption, adaption and innovation

1. Efforts in brief:

A continuous interaction and exchange of information in the industry is being maintained with a view to absorbing, adapting and innovating new methods that may be possible.
2. Benefits derived:

The main benefits derived are in respect of quality improvement, cost reduction and import substitution.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange used and earned:

Foreign Exchange used	Rs. 1723.06 lacs
Foreign Exchange earned	Rs. 5559.90 lacs

On Behalf of the Board of Directors
S. C. MALHOTRA
Chairman

Place : Mumbai
Date : June 25, 2009

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of Empire Industries Limited

We have examined the compliance of the conditions of Corporate governance by Empire Industries Limited for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange/s in India.

The compliance of conditions of Corporate governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2009 no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company and as per the certificate of the Registrar & Transfer Agents of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **D.P. GHEVARIA & CO.**
Chartered Accountants

Place : Mumbai,
Date : June 25, 2009

D.P. GHEVARIA
Proprietor

Membership No.32431



Certification by Chief Executive Officer(CEO) and Chief Financial Officer (CFO) pursuant to Clause 49 of the Listing Agreement:

We, S C Malhotra, Chairman and Mr. S K Gulati, Director Finance & Company Secretary, in our capacity as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively of the Company hereby certify that –

- (a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2009 and that to the best of our knowledge and belief:
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee
- i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For EMPIRE INDUSTRIES LIMITED

Place : Mumbai,
Date : June 25, 2009.

S.C. MALHOTRA
Chairman

S.K. GULATI
Director Finance & Company Secretary

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding compliance with Code of Conduct.

In accordance with Clause 49 ID of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended on March 31, 2009.

For EMPIRE INDUSTRIES LIMITED

Place : Mumbai,
Date : June 25, 2009.

S.C. MALHOTRA
Chairman

EMPIRE INDUSTRIES LIMITED

ANNUAL REPORT 2008-09

STATEMENT OF INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009

Name of the Employee	Age	Designation/ Nature of Duties	Remuneration Received	Qualification	Date of Joining	Total Exp. Years	Last Employment & Period
Mr. Bhattacharjee P.K.	69	Director ** Corporate	55,47,496	B.Tech.(Hons.) (Mech. Engg.)	07.08.1969	47	Consultant, Ibccon Pvt. Ltd. Mumbai (3 Years).
Mr. D Anupkumar*	58	Director ** Empire Chemicals	35,28,727	B.Sc.	21.04.2003	38	Sr. Vice President, Mega Visa Marketing & Solutions Ltd., Mumbai (2 Years).
Mr. Ghosh S. K.	56	Sr. Vice President	24,54,086	D.M.E.	15.02.2000	36	General Manager Healty & Gresham (I) Ltd. Delhi (8 Years)
Mr. Grover Yogesh*	39	Director ** Empire Foods	25,24,671	B.Sc.(Hons.), A.C.A.	02.05.2008	17	Managing Director & CEO Uganda Marine Products Ltd. Kampala (7 Years)
Mr. Gulati S. K.	70	Director** Finance & Company Secretary	56,22,446	B.Com.(Hons.) A.C.S., F.C.A.	02.05.1975	47	Administrative Manager, Machine Division, Crompton Greaves Ltd. Mumbai (9 Years).
Mr. Malhotra Dileep	44	Jt. Managing Director	51,54,341	B.A., M.B.A. (U.S.A.)	01.10.1999	18	Managing Director - Empire Securities & Capital Ltd., Mumbai (3 Years.)
Mr. Malhotra Ranjit	51	Vice-Chairman	50,93,140	M.B.A. (U.S.A.)	01.10.1998	28	Managing Director Empire International Pvt. Ltd. Mumbai (6 Years.)
Mr. Malhotra S. C.	75	Chairman	51,54,257	Intermediate Arts & Certificate of N.D.A.	01.11.1965	59	Chief Executive, Kohinoor Mills, Divn. Of Killick Ind. Ltd. Mumbai (6 Years)
Mr. Nadkar A.G.*	54	Polisher	3,24,384	VIII Standard	03.11.1969	39	First Employment
Mr. Narasimhan N. S. L.	60	Director ** Empire Industrial Equipment / Empire Instru.	56,17,980	B.E., M.M.S. (Marketing); M.F.M.	10.01.2000	35	Chief Executive Healty & Gresham (I) Ltd. Delhi (10 Years & 7 Months)

STATEMENT OF INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009



Name of the Employee	Age	Designation/ Nature of Duties	Remuneration Received	Qualification	Date of Joining	Total Exp. Years	Last Employment & Period
Mr. Pradhan C. K.	51	Director ** Commercial	36,48,839	B.Com.	01.06.1995	30	Manager-Warehousing Arjun Transport Co. Pvt. Ltd. Mumbai (10 Years)
Mr. Rao P. N.	57	Director ** Empire Machine Tools (MCAT)	56,36,703	B.E.(Mech)	01.01.1980	33	Asst. Sales Engineer Voltas Ltd., Lucknow (2 Years)
Mr. Sampath Kumar	55	Sr. Vice President	25,79,010	B.A., P.G.B.	01.03.2000	32	Marketing Controller Heatly & Gresham (I) Ltd. Delhi (10 Years)
Mr. Singhal M.N.	63	President - Works	32,62,916	D.M.E.	01.03.1985	44	Production Manager, Vazir Glass, Mumbai (1 Year).
Mr. Sen K. K.	60	Director ** Empire Machine Tools (MFTM).	59,81,916	B. Tech (Hons.)	21.06.1971	38	First Employment
Mr. Singh Rajindar	82	Director ** Vitrum Glass	53,28,166	B.Sc. (Engg.) M.I.E. (India) A.F.Inst. Pet (London), Member Comb. Inst.	16.04.1974	60	Sr. Executive Burmah Shell Mumbai (25 Years.)
Mr. Vilas Nandiwdekar*	42	Vice President	14,77,970	B.Sc.	07.10.2002	20	Head-Business Development Frutarom Limited (MNC) Mumbai (3 Years)

states that the employee was in the employment for part of the year.

Designation Director denotes functional Director and not a Director of the Board of Directors of the Company.

Names of only those employees who were in the Company's employment for a part of the financial year and whose monthly remuneration was not less than Rs. 2,00,000/- per month have been included and their names are marked *.

Relationships to Directors:

Mr. S. C. Malhotra, Mr. Ranjit Malhotra and Mr. Dileep Malhotra are related, Mr. S. C. Malhotra is father of Mr. Ranjit Malhotra and Mr. Dileep Malhotra.

None of the other employees mentioned above is related to the Directors of the Company.

AUDITOR'S REPORT

To,
THE SHAREHOLDERS
EMPIRE INDUSTRIES LIMITED

We have audited the attached Balance Sheet of Empire Industries Limited, as at 31st March, 2009 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

- iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - b. in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **D.P. GHEVARIA & CO.**
Chartered Accountants

Place : Mumbai
Date : June 25, 2009.

D.P. GHEVARIA
Proprietor
Membership Number 32431



ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date

The comments given below are based on the data compiled by the company in order to comply with the requirements of the order. On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year under a programme for phased verification of assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
- (c) During the year the Company has not disposed off any substantial part of Fixed Assets.
- (ii) (a) The inventory has been physically verified by the Management during the year. Having regard to the size of the company and the nature of its business, in our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
Accordingly, the provisions of clause (iii)(b) regarding terms and conditions of such loans, clause (iii)(c) regarding payment of principal amount and interest and clause (iii)(d) regarding steps for recovery of overdue amount of Para 4 of the Order are not control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods.

(v) (a) Based on the audit procedures applied by us and according to information and explanation provided by the management, we are of the opinion that the transactions need to be entered into the register maintained u/s. 301 of the Companies Act ,1956 have been so entered.

(b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

(vi) In Our Opinion, the company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public which have matured and are remaining unpaid as at 31st March, 2009.

(vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

(viii) As informed to us, the Central Government has not prescribed maintenance of cost records u/s 209(1) (d) the Companies Act 1956 in respect of the any product.

(ix) (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees' State insurance, Income-tax, Sales-tax, Wealth-tax, Custom duty, Excise-duty, Cess and other statutory dues. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise

EMPIRE INDUSTRIES LIMITED

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- b) Details in respect of amounts not deposited on account of disputes pending at various forums are given below:

Statute	Nature dues	Amount (Rs. In lacs)	Period to which amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Duty on Classification / Valuation and other disputes	10.73	1984-85 to 2002-03	Central Excise Tribunal
The Bombay Sales Tax Act, 1959	Sales Tax Dues	2.74	2001-2002	Maharashtra Sales Tax Tribunal.

- (x) The company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) According to the information and explanations given to us the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of special statute applicable to Chit Fund, Nidhi or Mutual benefit Fund/ Society are not applicable to the Company.
- (xiv) The Nature of Company's business/activities during the year does not include dealing in shares, securities, debentures or other investments, hence the requirement of offering comments on this clause is not applicable.

- (xv) According to the information and explanations given to us and records made available to us, the company has not given any guarantees for the loans taken by others from Banks or financial institutions.

- (xvi) The term loans have been applied for the purposes for which they were raised.

- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment by the company.

- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.

- (xix) During the period covered by our audit report, the company has not issued any debentures requiring report under this clause.

- (xx) The Company has not raised any money by way of public issue during the year; hence the question of disclosure and verification of end use of such monies does not arise.

- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **D.P. GHEVARIA & CO.**
Chartered Accountants

Place : Mumbai
Date : June 25, 2009.

D.P. GHEVARIA
Proprietor
Membership Number 32431



Balance Sheet as at 31st March, 2009

	Schedules	Rupees	Rupees	As at 31st March, 2008 Rupees
CAPITAL AND LOAN FUNDS EMPLOYED:				
Shareholders' Funds:				
Share Capital	A	5,99,99,980		5,99,99,980
Reserves & Surplus	B	<u>30,57,87,491</u>		<u>20,41,40,462</u>
			36,57,87,471	26,41,40,442
Secured Loans	C		29,56,41,024	26,51,26,535
Unsecured loans	D		27,48,38,544	32,18,77,962
Deferred Tax Liability(Net)			4,41,00,000	3,40,03,000
			<u>98,03,67,039</u>	<u>88,51,47,939</u>
EMPLOYMENT OF CAPITAL AND LOAN FUNDS:				
Fixed Assets & Investments:				
Fixed assets	E	104,57,91,368		96,14,59,527
Investments	F	<u>45,800</u>		<u>45,800</u>
			104,58,37,168	96,15,05,327
Net Current Assets:				
Current Assets	G	83,25,36,778		83,19,38,818
Less: Current Liabilities & Provisions	H	<u>89,80,06,907</u>		<u>90,82,96,206</u>
			-6,54,70,129	-7,63,57,388
			<u>98,03,67,039</u>	<u>88,51,47,939</u>
SIGNIFICANT ACCOUNTING POLICIES	M			
NOTES TO THE ACCOUNTS	N			

S.C. MALHOTRA

Chairman

DILEEP MALHOTRA

Jt. Managing Director

R.A. MASKATI
RAJBIR SINGH
K.C. KHANNA
C.P. SHAH

Directors

S.K. GULATI

Director Finance
& Company Secretary

As per our Report attached

For **D. P. GHEVARIA & CO.**
Chartered Accountants

D. P. GHEVARIA
Proprietor

Mumbai, June 25, 2009

Mumbai, June 25, 2009

Profit & Loss Account for the year ended 31st March, 2009

	Schedules	Rupees	Rupees	Rupees	Year ended 31st March, 2008 Rupees
Sales		98,00,34,092			81,08,09,500
Less: Excise Duty		<u>6,39,06,721</u>			<u>6,94,14,652</u>
			91,61,27,371		74,13,94,848
Commission			39,31,91,755		41,79,72,999
Other Income	I		<u>44,60,23,664</u>		<u>27,28,01,650</u>
				175,53,42,790	<u>143,21,69,497</u>
Cost of Sales	J		60,89,36,647		56,47,15,268
Personnel	K		36,47,90,260		32,91,94,739
Other Expenses	L		38,90,06,450		28,84,15,266
Depreciation			6,42,12,949		5,28,14,484
Interest & Commitment Charges :					
On Fixed Deposits and Fixed Loans		6,61,91,751			4,93,34,175
Others		<u>96,38,727</u>			<u>45,62,500</u>
			7,58,30,478		<u>5,38,96,675</u>
				150,27,76,784	<u>128,90,36,432</u>
Profit before Taxation				25,25,66,006	14,31,33,065
Provision for Current Taxation				6,13,00,000	3,67,50,000
Provision for Fringe Benefit Tax				88,25,000	73,50,000
Provision for Deferred Tax				1,00,97,000	65,74,000
Profit after Taxation				<u>17,23,44,006</u>	<u>9,24,59,065</u>
APPROPRIATED AS UNDER :					
Proposed Dividend				5,99,99,980	4,79,99,984
Tax on Proposed Dividend				1,01,96,997	81,57,598
General Reserve				10,21,47,029	3,63,01,483
				<u>17,23,44,006</u>	<u>9,24,59,065</u>
Earning per share - Basic & Diluted (Face value of Rs.10 each)				28.72	15.41
SIGNIFICANT ACCOUNTING POLICIES	M				
NOTES TO THE ACCOUNTS	N				

S.C. MALHOTRA

Chairman

DILEEP MALHOTRA

Jt. Managing Director

R.A. MASKATI
RAJBIR SINGH
K.C. KHANNA
C.P. SHAH

} Directors

S.K. GULATI

} Director Finance
& Company Secretary

As per our Report attached

For D. P. GHEVARIA & CO.
Chartered AccountantsD. P. GHEVARIA
Proprietor

Mumbai, June 25, 2009

Mumbai, June 25, 2009



Schedules Forming Part of the Accounts

	Rupees	Rupees	As at 31st March, 2008 Rupees
A. SHARE CAPITAL			
AUTHORISED			
1,50,00,000	Equity Shares of Rs.10 each	15,00,00,000	15,00,00,000
50,000	Cumulative Redeemable Preference Shares of Rs.100 each	<u>50,00,000</u>	<u>50,00,000</u>
		15,50,00,000	15,50,00,000
ISSUED AND SUBSCRIBED			
59,99,998	fully paid-up Equity Shares of Rs.10 each	5,99,99,980	5,99,99,980
The Subscribed Capital includes:			
(a)	9,27,000 fully paid-up Equity Shares allotted by way of Bonus Shares by capitalisation of Reserves		
(b)	1,65,000 Equity Shares allotted without payment being received in cash pursuant to the Scheme of Amalgamation of Garlick & Company Private Limited with the Company		
(c)	3,99,999 fully paid-up Equity Shares allotted to Debenture Holders pursuant to conversion option exercised by them	<u>5,99,99,980</u>	<u>5,99,99,980</u>
			As at 31st March, 2008 Rupees
B. RESERVES AND SURPLUS			
1.	Capital Reserve: Balance as per last account	65,96,962	<u>65,96,962</u>
2.	Share Premium Account: Balance as per last account	13,33,330	<u>13,33,330</u>
3.	General Reserve: Balance as per last account	19,62,10,170	28,26,26,775
	<i>Less</i> : Amortisation of Goodwill	5,00,000	—
	<i>Less</i> : Charge on account of transitional provision under Accounting Standard 15(Revised)	<u>—</u>	<u>12,27,18,088</u>
		19,57,10,170	15,99,08,687
	<i>Add</i> : Transferred from Profit & Loss Account	<u>10,21,47,029</u>	<u>3,63,01,483</u>
		29,78,57,199	19,62,10,170
		<u>30,57,87,491</u>	<u>20,41,40,462</u>

	As at 31st March, 2008	As at 31st March, 2008
	Rupees	Rupees
C. SECURED LOANS		
1. From Banks on Cash Credit Account: Secured by hypothecation of Stocks and Book Debts and Second charge on the property of Glass Bottle Division and personal guarantees given by Chairman and Vice-Chairman.	4,03,32,404	6,09,51,530
2. Term Loans from Banks*	24,67,52,114	18,43,75,000
3. Hire Purchase Loans: Secured by hypothecation of specific Vehicles purchased under the scheme.	72,42,930	1,87,52,631
Interest accrued and due	13,13,576	10,47,374
	<u>29,56,41,024</u>	<u>26,51,26,535</u>

*Term Loans from Banks to the extent of :

- (i) Rs.12,25,00,000 (Previous year Rs.16,43,75,000) are secured by hypothecation and first mortgage of the Company's immovable and movable properties, pertaining to its Glass Bottle Division, both present and future, subject to prior charge in favour of the banks on specific movable assets and personal guarantees given by Chairman and Vice-Chairman.
- (ii) Rs.10,42,52,114 (Previous year Nil) are Secured by Simple Mortgage without possession of entire first floor admeasuring 26,200 sq. ft. (carpet area) of Empire Plaza situated at Vikhroli (West), Mumbai and personal guarantees given by Chairman and Vice-Chairman.
- (iii) Rs.2,00,00,000 (Previous year Rs.2,00,00,000) are secured by hypothecation of Vending machines and personal guarantees given by Chairman and Vice-Chairman.

	As at 31st March, 2008	As at 31st March, 2008
	Rupees	Rupees
D. UNSECURED LOANS		
1. Fixed Deposits from Public & Shareholders	8,87,10,500	11,44,15,000
2. Other Deposits	17,03,10,000	13,47,81,000
3. Term Loans from Banks	1,57,73,506	7,20,37,929
Interest accrued and due	44,538	6,44,033
	<u>27,48,38,544</u>	<u>32,18,77,962</u>

E. FIXED ASSETS

	COST				DEPRECIATION				NET BLOCK	
	As at 1st April, 2008 Rupees	of Additions Rupees	of Deductions Rupees	As at 31st March, 2009 Rupees	As at 1st April, 2008 Rupees	of Additions Rupees	of Deductions Rupees	As at 31st March, 2009 Rupees	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
Goodwill	5,00,000	—	5,00,000	—	—	—	—	—	—	5,00,000
Land*	23,61,728	—	—	23,61,728	1,26,847	—	—	1,26,847	22,34,881	22,34,881
Building & Flats	71,78,41,119	71,72,634	—	72,50,13,753	5,98,43,327	1,16,40,298	—	7,14,83,625	65,35,30,128	65,79,97,792
Plant & Machinery	27,64,63,046	8,04,60,497	3,21,79,058	32,47,44,485	16,48,00,477	92,72,976	2,72,96,789	14,67,76,664	17,79,67,821	11,16,62,569
Plant & Machinery under Erection	1,49,663	—	1,49,663	—	—	—	—	—	—	1,49,663
Furniture & Office Equipments	19,75,55,185	5,32,31,768	54,73,381	24,53,13,572	9,48,13,705	2,41,21,338	43,51,934	11,45,83,109	13,07,30,463	10,27,41,480
Vehicles	6,48,76,168	1,75,62,005	1,00,53,071	7,23,85,102	3,01,40,068	1,24,39,517	68,24,336	3,57,55,249	3,66,29,853	3,47,36,100
Furnaces	12,20,60,969	—	—	12,20,60,969	7,06,23,927	67,38,820	—	7,73,62,747	4,46,98,222	5,14,37,042
Technical Know-how Fees	3,50,000	—	—	3,50,000	3,50,000	—	—	3,50,000	—	—
Moulds & Castings	2,80,132	—	—	2,80,132	2,80,132	—	—	2,80,132	—	—
	<u>138,24,38,010</u>	<u>15,84,26,904</u>	<u>4,83,55,173</u>	<u>149,25,09,741</u>	<u>42,09,78,483</u>	<u>6,42,12,949</u>	<u>3,84,73,059</u>	<u>44,67,18,373</u>	<u>104,57,91,368</u>	<u>96,14,59,527</u>
As at 31st March, 2008	114,43,79,286	39,23,42,425	15,42,83,701	138,24,38,010	37,87,35,272	5,28,14,484	1,05,71,273	42,09,78,483	96,14,59,527	—

* Includes leasehold land of Rs.4,65,100 at cost.



Schedules Forming Part of the Accounts

	Numbers	Face Value of each Rupees	Cost Price Rupees	As at 31st March, 2008 Rupees
F. INVESTMENTS				
Unquoted:				
Fully paid Equity Shares in The Saraswat Co-operative Bank Ltd.	1000	25	25,000	25,000
Fully paid Shares in Co-operative Housing Societies*:				
Arabian Sea-View Co-operative Housing Society Ltd.	5	50	250	250
Chitrakoot Co-operative Housing Society Limited	10	50	500	500
Breach Candy Apartments Co-operative Housing Society Limited	10	50	500	500
West Nandanvan Co-operative Housing Society Limited	10	50	500	500
Vipul Co-operative Housing Society Limited	20	50	1,000	1,000
Tara Apartments Co-operative Housing Society Limited	5	50	250	250
Government Securities:				
(Lodged as Security Deposits with Public Authorities)				
7 Years National Saving Certificates			17,800	17,800
			45,800	45,800

* These Shares in the above mentioned Co-operative Societies have been purchased to enable the Company to acquire flats in these Societies.

	Rupees	Rupees	As at 31st March, 2008 Rupees
G. CURRENT ASSETS, LOANS AND ADVANCES:			
1. CURRENT ASSETS:			
Inventories at lower of cost or market value/contracted price as certified by Managing Director:			
Stores and Spare parts	3,43,45,738		2,83,67,692
Liquid Fuel and Petrol	28,45,568		32,09,171
Raw Materials	1,63,90,597		1,16,09,783
Finished Goods/Traded Goods (Including in-transit Rs.65,10,294 - Previous year Rs. Nil)	<u>4,93,22,637</u>		<u>3,76,49,026</u>
		10,29,04,540	8,08,35,672
Sundry Debtors: (Unsecured, considered good)			
Debts outstanding for a period exceeding six months	8,31,31,773		7,15,76,789
Others	<u>24,28,16,320</u>		<u>29,91,10,948</u>
		32,59,48,093	37,06,87,737
Cash and Bank Balances:			
On Hand	9,80,704		14,16,317
With Scheduled Banks:			
On Current Account	2,61,52,621		1,04,73,531
On Fixed Deposit and deposit at call	<u>55,63,727</u>		<u>18,62,670</u>
		3,26,97,052	1,37,52,518
2. LOANS AND ADVANCES: (unsecured, considered good)			
Advances recoverable in cash or in kind or for value to be received	36,71,77,208		32,36,74,727
Inter-Corporate Deposits	—		4,05,00,000
Balance with Central Excise and Others	<u>38,09,885</u>		<u>24,88,164</u>
		37,09,87,093	36,66,62,891
		83,25,36,778	83,19,38,818



Schedules Forming Part of the Accounts

	Rupees	Rupees	As at 31st March, 2008 Rupees
H. CURRENT LIABILITIES AND PROVISIONS:			
1. CURRENT LIABILITIES:			
Trade and Other Creditors*		16,88,10,117	23,02,80,510
Advance against Contracts		1,98,99,851	20,04,592
Sundry Deposits		2,46,07,451	1,07,67,136
Security Deposits		45,99,27,983	46,67,04,622
Unclaimed Dividends		1,76,021	2,07,765
Unpaid matured Fixed Deposits**		33,10,000	18,24,000
Interest accrued but not due on :			
Secured Loans	6,10,344		6,65,181
Unsecured loans	54,77,548		54,25,531
		<u>60,87,892</u>	<u>60,90,712</u>
		68,28,19,315	71,78,79,337
2. PROVISIONS:			
Provision for Gratuity and Leave encashment	14,49,90,615		13,42,59,287
Proposed Dividend	5,99,99,980		4,79,99,984
Tax On Proposed Dividend	1,01,96,997		81,57,598
		<u>21,51,87,592</u>	<u>19,04,16,869</u>
		89,80,06,907	90,82,96,206

* The Company has not received any intimation from suppliers regarding their status under the Micro Small & Medium Enterprises Development Act, 2006. Hence disclosure, if any, relating to amount unpaid as at the year end together with the interest paid/payable as required under the said Act, have not been given.

** Investor Education and Protection Fund is credited by the amount of unclaimed fixed deposits after seven years from the due date.

	Rupees	Rupees	Year ended 31st March, 2008 Rupees
I. OTHER INCOME			
Credit/debit balances/advances written back/adjusted (net)		35,735	1,30,378
Insurance claims		4,36,256	9,79,579
Dividend		5,000	4,500
Interest (Gross):			
(i) On Inter-Corporate and other deposits	36,35,216		54,92,176
(ii) From Dealers and Others	3,55,068		55,09,271
(Tax deducted at source Rs.5,91,823; Previous year Rs.12,24,288)			
		<u>39,90,284</u>	<u>1,10,01,447</u>
Property rent		38,70,66,613	24,48,89,591
Advertising and Operational income - Vending		5,14,51,396	1,25,37,842
Profit on sale of assets		3,17,421	5,91,967
Miscellaneous Income		27,20,959	26,66,346
		<u>44,60,23,664</u>	<u>27,28,01,650</u>

EMPIRE INDUSTRIES LIMITED

ANNUAL REPORT 2008-09

	Rupees	Rupees	Year ended 31st March, 2008 Rupees
J. COST OF SALES			
Opening Stocks:			
Raw Materials	1,16,09,783		1,47,76,251
Finished Goods/Traded Goods	<u>3,76,49,025</u>		<u>4,43,42,752</u>
		4,92,58,808	5,91,19,003
<i>Add:</i> Purchases		41,67,69,728	34,93,48,757
		46,60,28,536	40,84,67,760
<i>Less:</i> Closing Stocks:			
Raw Materials	1,63,90,597		1,16,09,783
Finished Goods/Traded Goods	<u>4,93,12,839</u>		<u>3,76,49,025</u>
		6,57,03,436	4,92,58,808
		40,03,25,100	35,92,08,952
Stores and spare parts consumed		5,50,66,192	4,82,33,932
Power & Fuel		15,35,45,355	15,72,72,384
		60,89,36,647	56,47,15,268
K. PERSONNEL			
Salaries, Wages, Bonus and Gratuity		30,21,44,252	27,26,67,998
Contribution to Provident and Other Funds		2,17,86,358	1,87,50,397
Contribution to Superannuation Scheme		82,49,744	72,53,910
Contribution to ESIC Scheme		14,94,922	18,26,495
Welfare Expenses		3,11,14,984	2,86,95,939
		36,47,90,260	32,91,94,739
L. OTHER EXPENSES			
Repairs to Machinery		37,66,780	23,94,068
Repairs to Buildings		2,11,46,497	1,28,01,112
Other Repairs		1,97,82,043	1,41,63,331
Insurance		28,90,059	39,04,381
Rent (Net)		1,31,82,382	58,69,369
Rates and Taxes		3,93,45,032	3,21,11,538
Conducting Charges		2,44,66,480	76,65,300
Discount, Commission and Brokerage		1,44,58,160	3,00,82,700
Furnace Expenses		5,57,467	3,04,910
Donations		7,500	33,000
Electricity and Gas		1,48,66,230	1,02,25,842
Vehicle Expenses		2,35,75,657	1,83,71,518
Directors' Fees		1,20,000	80,000
Loss on assets sold/discarded		12,69,754	4,55,970
Bad debts/advances written off		17,19,240	15,90,339
Carriage Outward		4,09,75,643	1,92,81,225
Travelling Expenses		5,99,73,497	4,91,16,185
Telephone, Trunkcalls & Telex		1,17,36,615	1,12,41,392
Miscellaneous Expenses		9,51,67,414	6,87,23,086
		38,90,06,450	28,84,15,266



Schedules Forming Part of the Accounts

M. SIGNIFICANT ACCOUNTING POLICIES

1. System of Accounting:

The Company follows the Mercantile System of Accounting and recognises income and expenditure on accrual basis.

2. Fixed Assets:

Fixed Assets are stated at cost less depreciation.

3. Depreciation:

Depreciation on Assets is provided at the rates specified by Schedule XIV of the Companies Act, 1956.

(a) On Buildings and Flats, Plants & Machinery and Furnaces it is provided on Straight Line Method.

(b) On other assets it is provided on Written Down Value Method

(c) On Assets added/sold during the year it is provided on pro-rata basis.

4. Valuation of Stock:

Stock of raw materials, packing materials, stores & spares are valued at weighted average cost. Cost comprises of purchase cost including of all taxes and duties. Traded goods and finished goods are valued at lower of cost or market value/contracted price.

5. Investments:

Investments are stated at cost. Dividends are accounted on receipt basis.

6. Operating Lease:

Operating lease payments for premises taken on lease by the Company are recognised as expense in profit and loss account on accrual basis.

7. Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying fixed asset are capitalized as part of the cost of that asset. Other borrowing costs are recognised as expense in the profit and loss account on accrual basis.

8. Provisions and Contingencies:

A provision is recognised when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management best estimates of the expenditure required to settle the obligation as at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate for each such obligation.

A contingent liability is disclosed when there is a possible or present obligation that may, but probably will not, require an outflow of resources unless the possibility of such outflow is remote.

9. Revenue Recognition:

Sales are recognised on despatch of goods to customers and is net of sales returns and taxes. Scrap sale is accounted upon sale. Interest and other income are accounted on accrual basis.

10. Staff Retirement Benefits:

Defined benefit plan:

The Company accounts for the defined benefit plans such as gratuity and leave encashment on accrual basis. Gratuity and leave encashment liability has been determined by an actuarial valuation report based on AS - 15 (revised) obtained as at 31st March, 2009.

11. Taxes on Income:

Current tax provision is determined on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act.

The Deferred tax for all timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date.

Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

12. Foreign Currencies:

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account except in cases where they relate to acquisition of fixed asset, in which case they are adjusted to the carrying cost of such assets.

N. NOTES TO THE ACCOUNTS

- (1) Secured loans from banks to the extent of Rs.28,83,98,094 (Previous year Rs.24,63,73,904) and Unsecured loans from banks to the extent of Rs.1,58,18,044 (Previous year Rs.7,26,81,962) are guaranteed by Chairman and Vice-Chairman.
- (2) Future Licence Fees amounting to Rs.2,107.29 lacs (Previous year Rs.1,049.47 lacs) receivable from Licensees in respect of property is securitized with the Bankers.
- (3) There was no impairment loss of Fixed Assets on the basis of review carried out by the Management in accordance with Accounting Standard 28 issued by the Institute of Chartered Accountants of India.
- (4) Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs.1,62,68,306 (Previous year Rs1,02,94,077).
- (5) Contingent liabilities not provided for :

	Rupees	As at 31st March, 2008 Rupees
(a) Guarantees given by the Banks	7,58,93,896	6,38,42,909
(b) Claims against the Company not acknowledged as debts	10,25,579	10,25,579
(c) Excise demand disputed by the Company	10,73,299	12,18,179
(d) Sales Tax demands disputed by the Company	2,74,035	11,12,208
		Year ended 31st March, 2008
(6) Managerial remuneration to the Directors (net of recovery) :	Rupees	Rupees
(i) Salaries	1,26,00,000	90,00,000
(ii) Perquisites	12,88,550	12,80,405
(iii) Contribution to Provident Fund	15,13,188	10,80,000
	<u>1,54,01,738</u>	<u>1,13,60,405</u>

Remuneration to Directors has been paid under Section 198 of the Companies Act, 1956.

(7) (a) Remuneration to the Auditors included in Miscellaneous Expenses :		
(i) As an Auditor	1,55,000	1,74,158
(ii) In other capacity:		
Tax Audit	45,000	50,562
Certification work	28,100	30,273
Others	46,500	4,000
(iii) For reimbursement of expenses	30,750	32,000
	<u>3,05,350</u>	<u>2,90,993</u>

- (8) The Company had acquired goodwill in the year 1972 at the time of amalgamation of Garlick Engineering Co. P. Ltd with the Company. This goodwill being very old has now been fully amortised and its value has been adjusted against General Reserves.
- (9) The value of stocks include all taxes and duties. Modvat is credited to Profit & Loss Account on consumption basis Cenvat related to year-end stock is carried forward in Balance Sheet under the head 'Other Liabilities'.
- (10) Excise duty liability on Finished Goods stock has not been provided and also not included in the valuation of Finished Goods stock. However, it has no impact on Profit & Loss Account.
- (11) Figures in respect of the previous year have been regrouped and rearranged wherever necessary.
- (12) The Company has been recognising in the financial statements the deferred tax assets/liabilities, in accordance with the Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. During the year, the Company has charged the Profit & Loss Account with the Deferred Tax Liability of Rs.100.97 lakhs (Previous Year Rs.65.74 lakhs)



Schedules Forming Part of the Accounts

N. NOTES TO THE ACCOUNTS (Contd.)

	Rupees	Rupees
		As at 31st March, 2008
(13) Earning per Share :		
Net Profit	17,23,44,006	9,24,59,065
Weighted average number of Equity Shares outstanding	59,99,998	59,99,998
Earning per share - Basic and Diluted	28.72	15.41
Face value of share	10.00	10.00
(14) Additional information pursuant to the provisions of paragraphs 3 and 4 of Part II of Schedule VI of the Companies Act, 1956:		
(1) Value of Imports on C.I.F. basis in respect of:		
(i) Raw Materials	2,82,76,466	2,06,93,534
(ii) Components and Spare parts	66,32,230	9,93,702
(iii) Capital Goods	5,14,20,406	28,68,520
(iv) Traded Goods	7,12,65,419	7,64,85,954
(2) Expenditure in foreign currency in respect of: Travelling, books and periodicals and others	1,47,11,116	1,01,78,262
(3) Earnings in foreign exchange in respect of:		
(i) Export of goods on F.O.B. basis	9,36,16,046	3,46,94,980
(ii) Commission	46,23,74,101	34,63,93,438
(4) Remittances in foreign exchange on account of dividend:		
(i) Number of non-resident shareholders	Nos. 21	14
(ii) Number of shares held by them	Nos. 8,216	4,792
(iii) Dividends remitted	Rs. Nil	Nil
(iv) Year to which dividend relates	2007-2008	2006-2007
	[Dividend amounting to Rs.65,728 (Previous year Rs.29,052) has been paid to their Banker :/Agents in India.]	
(5) Value of imported and indigenous Raw Material, Components and Spare Parts consumed:		

	Raw Materials				Components and Spare Parts			
	For the year ended 31st March, 2009		For the year ended 31st March, 2008		For the year ended 31st March, 2009		For the year ended 31st March, 2008	
	Rupees	%	Rupees	%	Rupees	%	Rupees	%
(i) Imported	3,82,37,282	16.69	3,23,55,790	16.94	20,00,918	6.81	27,31,168	10.95
(ii) Indigenous	19,08,26,586	83.31	15,66,19,583	83.06	2,73,98,406	93.19	2,22,12,889	89.05
	<u>22,90,63,868</u>	<u>100.00</u>	<u>18,89,75,373</u>	<u>100.00</u>	<u>2,93,99,324</u>	<u>100.00</u>	<u>2,49,44,057</u>	<u>100.00</u>

(6) Opening and closing of goods manufactured and Turnover :

	M.T.	Opening Stock		Closing Stock		Turnover	
		Quantity	Value Rupees	Quantity	Value Rupees	Quantity	Value Rupees
Bottles		2,516	2,60,13,535	2,761	3,25,93,466	37,751	68,75,83,890
		(3,086)	(3,19,98,269)	(2,516)	(2,60,13,535)	(37,915)	(56,35,92,228)
Other Misc. Sales including bought out components							22,85,43,481 (17,78,02,620)

Figures in the brackets are for the previous year ended 31st March, 2008.

N. NOTES TO THE ACCOUNTS (Contd.)

(7) Raw Materials Consumption :

			For the year ended 31st March, 2008		
		Quantity	Value Rupees	Quantity	Value Rupees
Chemicals	M.T.	7,215	11,51,55,356	8,436	7,60,99,446
Silica Sand	M.T.	7,088	91,50,608	7,515	88,30,065
Cullets	M.T.	31,199	10,47,54,904	29,727	10,40,45,862

(8) Licensed and Installed Capacity and Actual Production :

			For the year ended 31st March, 2008				
		Licensed Capacity* Per annum	Installed Capacity* Per annum	Actual Production	Licensed Capacity* Per annum	Installed Capacity* Per annum	Actual Production
Bottles	M.T.	37,548	37,548	37,996	37,548	37,548	37,345

* As certified by the Management and relied upon by the Auditors.

(15) Segment Information for the year ended 31st March, 2009

(i) Information about Primary Business Segments

REVENUE	2008-2009 (Rs. in Lakhs)			2007-2008 (Rs. in Lakhs)		
	External	Inter-Segment	Total	External	Inter-Segment	Total
Manufacturing	6,925.62	—	6,925.62	5,671.27	—	5,671.27
Trading & Indenting	6,697.78	—	6,697.78	6,057.42	—	6,057.42
Others	3,890.08	—	3,890.08	2,482.94	—	2,482.94
Total Revenue	17,513.48	—	17,513.48	14,211.63	—	14,211.63
RESULT						
Segment Result						
Manufacturing			342.83			(130.57)
Trading & Indenting			791.78			953.42
Others			2,668.47			1,519.47
Total Result			3,803.08			2,342.32
Un-allocated Expenditure						
Net of un-allocated Income			(559.07)			(482.08)
Interest Expenses			(758.30)			(538.97)
Interest Income			39.90			110.01
Dividend Income			0.05			0.05
Profit before Taxation			2,525.66			1,431.33
Provision for Taxation			802.22			506.74
Net Profit			1,723.44			924.59



Schedules Forming Part of the Accounts

N. NOTES TO THE ACCOUNTS (Contd.)

Other Information

	Segment Assets		Segment Liabilities	
	2008-2009	2007-2008	2008-2009	2007-2008
Manufacturing	4,466.21	3,535.51	1,324.29	1,204.09
Trading & Indenting	4,179.39	4,086.89	1,281.35	921.94
Others	10,138.14	10,312.04	6,374.43	6,956.93
	18,783.74	17,934.44	8,980.07	9,082.96
	Capital Expenditure		Depreciation	
	2008-2009	2007-2008	2008-2009	2007-2008
Manufacturing	832.75	89.17	185.45	181.80
Trading & Indenting	681.67	345.53	204.49	148.37
Others	69.85	3,488.75	252.19	197.97
	1,584.27	3,923.42	642.13	528.14
Non-Cash expenses other than depreciation			NIL	NIL
			2008-2009	2007-2008
			Rs. in Lakhs	Rs. in Lakhs
(ii) Information about Secondary Business Segments				
Revenue by Geographical Market				
India			12,642.43	9,766.18
Outside India			4,871.05	4,445.45
			17,513.48	14,211.63
Segment Assets				
India			18,783.74	17,934.44
Outside India			—	—
			18,783.74	17,934.44
Capital Expenditure				
India			1,584.27	3,923.42
Outside India			—	—
			1,584.27	3,923.42

(iii) Notes:

- (a) The management has identified following main business segments:
Manufacturing - comprising of manufacturing glass bottles Trading and Indenting.
- (b) Segment Revenue in each of the above domestic business segments primarily includes Sales & service, commission income in respective segments.

N. NOTES TO THE ACCOUNTS (Contd.)

Segment Revenue comprises of:	2008-2009	2007-2008
	(Rs.in Lakhs)	(Rs. in Lakhs)
- Sales, Commission and Educational income	13,093.19	11,593.68
- Other income excluding income from investments	4,420.29	2,617.95
	17,513.48	14,211.63

(c) The segment revenue in the geographical segments considered for the disclosure are as follows :

- Domestic - comprising of sales to customers located within India and earnings in India.
- International - comprising of sales to customers located outside India and commission income from foreign principals.

(d) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

(16) Related Party disclosures

<u>Related party</u>	<u>Relationship</u>	<u>Description of Transaction</u>	<u>Income During the year</u> Rupees	<u>Expenses During the year</u> Rupees	<u>Outstanding as on 31.03.2009</u> Rupees
Empire International Pvt. Ltd.	Some of the Directors of the Company are also Directors in the said Pvt. Ltd. Company.	Conducting charges	—	1,07,68,354 (58,12,333)	6,95,206 (15,41,433)
		Rent	49,280 (-)	—	— (-)
S.C. Malhotra - <i>Chairman</i>	}	Key Managerial Personnel	Directors' Remureration	1,54,01,738	—
Ranjit Malhotra - <i>Vice-Chairman</i>				(1,13,80,405)	
Dileep Malhotra - <i>Jt. Managing Director</i>					
Karan Malhotra	}	Relative	Salary	5,88,000 (5,88,000)	—
Kabir Malhotra		Relative	Salary	5,88,000 (2,45,000)	—

Note: Figures in the brackets are for the previous year.

Related party relationship is as identified by the Company and relied upon by the Auditors.

Signatures to Schedules 'A' to 'N'	S.C. MALHOTRA	<i>Chairman</i>
	DILEEP MALHOTRA	<i>Jt. Managing Director</i>
	R.A. MASKATI RAJBIR SINGH K.C. KHANNA C.P. SHAH	} <i>Directors</i>
	S.K. GULATI	<i>Director Finance & Company Secretary</i>

Mumbai, June 25, 2009



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(Pursuant to amendment to clause 32 of the listing agreement)

	2008-2009 Rs. Lacs	2007-2008 Rs. Lacs
A. Cash Flow from Operating Activities :		
(a) Net Profit before Tax & Extra Ordinary items	2525.66	1431.33
Adjustments for :		
Depreciation	642.13	528.14
Interest	758.30	538.97
Interest & Dividend earned	(39.95)	(110.06)
Profit/Loss on sale of Fixed Assets (Net)	9.53	(1.36)
Provision for Gratuity/Leave encashment on actuarial basis	107.31	115.41
(b) Operating Profit before working capital changes	<u>4,002.98</u>	<u>2,502.43</u>
Adjustments for :		
Trade & other Receivables	297.73	(1,270.16)
Inventories	(220.69)	37.65
Increase/(Decrease) in Trade Payables	(695.80)	3,147.84
(c) Cash generated from operations	<u>3,384.22</u>	<u>4,417.76</u>
Interest paid	(761.66)	(517.21)
Direct Taxes paid (net of refunds)	(1,059.37)	(554.99)
Net Cash flow from Operating Activities	<u>1,563.19</u>	<u>3,345.56</u>
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(1,177.94)	(4,447.97)
Proceeds from Sale of Fixed Assets	83.58	27.02
Increase/Decrease in Loans & Advance	405.00	(394.00)
Interest received	39.07	110.78
Dividend received	0.05	0.05
Net Cash from Investing Activities	<u>(650.24)</u>	<u>(4,704.12)</u>
C. Cash Flow from Financing Activities :		
Dividend Paid (Including tax on Dividend)	(561.58)	(421.18)
Proceeds from borrowings	1,430.29	2,921.47
Repayment of borrowings	(1,592.22)	(1,143.59)
Net Cash flow from Financing Activities	<u>(723.51)</u>	<u>1,356.70</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009 *(Contd.)*

(Pursuant to amendment to clause 32 of the listing agreement)

	2008-2009 Rs. Lacs	2007-2008 Rs. Lacs
D. Net increase / (decrease) in cash and cash equivalent	189.44	(1.86)
Cash and cash equivalents at beginning of the year	137.53	139.39
Cash and cash equivalents at the end of the year	326.97	137.53

S.C. MALHOTRA*Chairman***DILEEP MALHOTRA***Jt. Managing Director***R.A. MASKATI****RAJBIR SINGH****K.C. KHANNA****C.P. SHAH***Directors***S.K. GULATI***Director Finance
& Company Secretary*

Mumbai, June 25, 2009

AUDITOR'S CERTIFICATE

We have verified the above Cash Flow Statment of Empire Industries Limited, derived from audited financial statements for the year ended 31st March, 2009 and for the year ended 31st March, 2008 and found the same to be drawn in accordance there with and also with the requirements of Clause 32 of the listing agreement with Stock Exchange.

For **D.P. GHEVARIA & CO.**
Chartered Accountants

D.P. GHEVARIA
Proprietor

Mumbai, 25th June, 2009.



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No.	L17120MH1900PLC000176	State Code	11
Balance Sheet Date	31.03.2009		

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	18,78,374	Total Assets	18,78,374
Sources of Funds			
Paid-up Capital	60,000	Reserves & Surplus	3,05,787
Secured Loans	2,95,641	Unsecured Loans	2,74,839
Deferred tax	44,100		
Application of Funds			
Net Fixed Assets	10,45,791	Investments	46
Net Current Assets	(65,470)	Miscellaneous Expenditure	NIL
Accumulated Losses	NIL		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (Including other income)	17,55,343	Total Expenditure	15,02,777
Profit Before Tax	2,52,566	Profit After Tax	1,72,344
Earnings Per Share in Rs.	28.72	Dividend Rate %	100.00

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
701090.01	Glass Bottles
N.A.	Trading & Indenting



ATTENDANCE SLIP

EMPIRE INDUSTRIES LIMITED

Registered Office: 414, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. It helps us make proper arrangements. Failure to bring this Attendance Slip will create unnecessary inconvenience to you. Joint Shareholders may obtain additional Attendance Slips on request.

NAME OF THE SHAREHOLDER / PROXY	D.P. Id *	Client Id*	Please write below your Reg. Folio Number.

I hereby record my presence at the ONE HUNDRED AND EIGHTH ANNUAL GENERAL MEETING of the Company held on Thursday, August 27, 2009 at 4:00 p.m. at Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai - 400 018.

.....
Member's/Proxy's Signature

NOTES :

1. Members/Proxy holders are requested to bring their copies of the Annual Report with them at the Meeting.
2. Please carry with you this Attendance Slip and hand over the same duly signed at the space provided, at the entrance of the meeting hall.



PROXY FORM

EMPIRE INDUSTRIES LIMITED

Registered Office: 414, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

D.P. Id.*		Reg. Folio No. / Shares held
Client Id.*		

I/We _____ of _____

being a Member of EMPIRE INDUSTRIES LIMITED hereby appoint

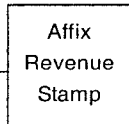
_____ of _____ or failing him

_____ of _____ as my/our

proxy to vote for me/us and on my/our behalf at the ONE HUNDRED AND EIGHTH ANNUAL GENERAL MEETING of the Company to be held on Thursday, August 27, 2009 at 4:00 p.m. at Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai - 400 018.

As witness my/our hand(s) this _____ day of _____ 2009.

Signed by the said _____



NOTE : The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.

* Applicable for shareholders holding Shares in dematerialised form.

